



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 11, 2001

### **H.R. 586** **Fairness for Foster Care Families Act of 2001**

*As ordered reported by the House Committee on Ways and Means on May 9, 2001*

#### **SUMMARY**

H.R. 586 would modify the exclusion from gross income allowed for qualified foster care payments paid to a foster care provider by either a state or local government or by a tax-exempt placement agency. The bill would expand the definition of qualified foster care payments to include payments by any placement agency that is licensed or certified by a state or local government, or an entity designated by such governments to make payments to foster care providers.

The Congressional Budget Office and the Joint Committee on Taxation (JCT) estimate that enacting the bill would reduce revenues by \$18 million in fiscal year 2002, by \$181 million over the 2002-2006 period, and by \$586 million over the 2002-2011 period. Because the bill would affect receipts, pay-as-you-go procedures would apply.

H.R. 586 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 586 is shown in the following table. All estimates of the revenue effects of the bill were provided by JCT.

	By Fiscal Year, in Millions of Dollars				
	2002	2003	2004	2005	2006
<b>CHANGES IN REVENUES</b>					
Estimated Revenues	-18	-29	-37	-45	-53

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in outlays					Not applicable						
Changes in receipts	0	-18	-29	-37	-45	-53	-61	-71	-80	-91	-102

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 586 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

Erin Whitaker

### **ESTIMATE APPROVED BY:**

G. Thomas Woodward  
Assistant Director for Tax Analysis